



Recent Development in Accounting in India

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Abstract:

Indian economy is the sixth largest economy in the world. India is leading and a favorite market for offshoring business function such as accounting. Today accounting practice in India are evolving to keep up with technological advancement with systematic development changes to scale up the services. The competition in business and the level of professionalism is relatively high and faster due to the environment created by the different organs in India. In this article focus is given some of the accounting practices in India in this new business world.

Introduction:

Accounting is a modern profession in India most other profession has a bright history. Study of accounting is as a technical and social phenomena today there is worldwide development in trade and commerce which has been responsible for the growing use and importance and application in methodological accounting. Luca Pacioli in his book “summa de Arithmetica, geometric, proportionalika et al described the double entry system of book keeping, he is widely regarded as father of modern Accounting.

History of Accounting in India:

In many Sanskrit verses, and in shloakas the references provide about book keeping, accountants office procedure of supervision and checking of accounts and also mentioned the distinguish characteristics between capital, revenue, profit of expenses. Basically for the growing importance of accounting trade and commerce. There two elements are responsible. The systematic method of accounting developed between 14th and 15th centuries on international level. Kautilya the famous economist in ancient India in his popular and historical book, Arthasastra explain the basic principles of



economics, politics and also explain the art of technique of account and Record Keeping. Kautilya's basic principles has elaborate prescription an accounting have also evolved and proved path breaking changes in India.

History and Evaluation of Accounting in Modern India:

Indian relation with Europe and Central Asia through the historic silk route have the basic root in the evolution of India's present day accounting and auditing system.

The year 1857 is important in Indian accounting history as company Act was legislated for the first time.

In 1866 the amendment of law related to accounts and audit was introduced. In 1913 new company Act enacted and books of accounts and its specification clearly mentioned and formulated along with mainting formula qualifications to act as auditor. In the state of Mumbai province Government diploma (GDA) was launched in 1932, first accountancy board was formed by the then British Government.

In independent India (1949) the chartered accountant Act 1949 passed and legislated the definition and concept related to accounts and accountant. The terms chartered accountant come to be used instead of Register Accountant.

In 1977 ICAI (The Institute of Chartered Accountant of India founded in 1949) constituted accounting standard Board to report and standardize financial reporting in India.

Review of related literature:

Kishandwale and vikamsey (2018) in their article, "Accounting and Auditing in India, the past, present and future described that the account and audit methods are fast changing with the evolution of software computer internationally". They also focus on the evolution of financial accounting and reporting remains the core tool of entity for communication.

Alexander John (1990) in his book, History of accounting focused on the history of accounting throughout the world. He also present that accounting has a bright history.

Joh Gary, Lee D. Parkar and Rtal (1990) in their research article "accounting History: Definition and relevance argue that history as a cultured product, depicts



human expenses. They also described that a dissimilative accounting historical methods literature which will help in guiding efforts to get historical events as they mentioned in their article.

Napier Christopher (2001), in his research article, “Accounting history and accounting progress revealed that accounting story will love a place for stories.

Present Accounting standard in India:

The standards are designed and set by government and any other regularly body or accounting body with regard to policy, procedure and written documents related to accounting.

With rapid changes in the trade and commerce world the persons working in the field of accounting particularly accountants and auditors they needed to be advanced about technology adapting new approaches. They have to work through the computer and should be familiar about computer assisted Audit technique (AATs).

The accountants and auditors should know the different audit Softwares analysis software OS and DBMS software and different audit command language.

The application of computer and software dramatically changed the total technique of accounting in the business was conducted.

Important Milestone of Accounting Standard in India:

- Preface to statements – 1979
- Mandatory status of AS4 and AS5
- Mandatory status of AS1, AS7, AS8, AS9, AS10, and AS11.
- Considered financial statement AS21.
- Financial reporting of interest in joint ventures.

Indian Accounting Slandered India – AS:

In 2010-11, the ASB of ICAI designed 35 India-AS which leads to actual and truthful representation of transection in which fair value approach is considered for accounting. In the new adoptive changes the main focus is on the fair value of accounting.



Conclusion:

As India is faster growing economy has come a long way through evaluation of accounting practices along with changing rule towards much evolved accounting methods. The number of companies and firms usharing in IFRS conversed accounting the existing SME/SMC's are also being upgraded to make them more usable and compatible with IND- As.

References:

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